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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

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BOB STUMP- Chairman

GARY PIERCE

BRENDA BURNS

BOB BURNS

SUSAN BITTER SMITH

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
ABRA WATER COMPANY, INC., AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE FAIR VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR AN INCREASE IN ITS
RATES AND CHARGES FOR UTILITY SERVICE
BASED THEREON.

DOCKET NO. W-01782A-14-0084

ORIGINAL**RATE CASE PROCEDURAL ORDER****BY THE COMMISSION:**

On March 11, 2014, Abra Water Company, Inc. ("Abra") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the fair value of its plant and property for the provision of public utility service and for an increase in its rates and charges for water utility service based thereon. Abra's application uses a test year ending December 30, 2012 ("TY"). Abra's customers are almost exclusively residential customers served by 5/8" x 3/4" water meters.

Abra reported adjusted TY revenues of \$270,040 and adjusted operating income of \$16,435, for a 2.88 percent return on a fair value rate base ("FVRB") of \$570,570. Abra's application requests a gross revenue increase of \$43,349, or 16.05 percent, for an 8.85 percent rate of return. For a residential customer served by a 5/8" x 3/4" meter, with median usage of 5,500 gallons, Abra's proposed rates would increase the monthly bill from \$30.25 to \$36.06, an increase of \$5.81 or 19.21 percent.

On April 2, 2014, Staff filed a Letter of Sufficiency indicating that Abra's application had met the sufficiency requirements outlined in A.A.C. R14-2-103 and classifying Abra as a Class C utility.

Thus, it is now necessary to establish the procedural schedule for this matter.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **September 30, 2014, at 10:00 a.m.**, or as soon thereafter as is practical, in Hearing

1 Room No. 1 at the Commission's offices, 1200 West Washington, Phoenix, Arizona 85007, and shall
2 continue, if necessary, at **9:00 a.m. on October 1, 2014**, and on such other dates as are determined if
3 needed.

4 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **September 25,**
5 **2014, at 1:00 p.m.**, or as soon thereafter as is practical, at the Commission's offices, Hearing Room
6 No. 1, 1200 West Washington, Phoenix, Arizona 85007, for the purpose of scheduling witnesses and
7 discussing the conduct of the hearing.

8 IT IS FURTHER ORDERED that the **Staff Report/direct testimony and associated**
9 **exhibits** to be presented at hearing by **Staff** shall be reduced to writing and filed on or before **August**
10 **15, 2014.**

11 IT IS FURTHER ORDERED that the **direct testimony and associated exhibits** to be
12 presented at hearing by an **intervenor** shall be reduced to writing and filed on or before **August 15,**
13 **2014.**

14 IT IS FURTHER ORDERED that the **rebuttal testimony and associated exhibits** to be
15 presented at hearing by **Abra** shall be reduced to writing and filed on or before **September 1, 2014.**

16 IT IS FURTHER ORDERED that the **surrebuttal testimony and associated exhibits** to be
17 presented at hearing by **Staff or intervenors** shall be reduced to writing and filed on or before
18 **September 15, 2014.**

19 IT IS FURTHER ORDERED that the **rejoinder testimony and associated exhibits** to be
20 presented at hearing by **Abra** shall be reduced to writing and filed on or before **September 22, 2014.**

21 IT IS FURTHER ORDERED that **all testimony** filed shall include a **table of contents** listing
22 the issues discussed.

23 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m.** on the date the
24 filing is due, unless otherwise indicated.

25 IT IS FURTHER ORDERED that **the parties shall prepare, jointly or individually, and**
26 **bring to the pre-hearing conference, copies of an issues matrix/matrices** setting forth all disputed
27 issues in the case, the position of each party on each disputed issue, whether the disputed issue
28 remains in dispute or has been resolved, and the manner in which it was resolved.

1 IT IS FURTHER ORDERED that any objections to prefiled testimony or exhibits shall be
2 made before or at the September 25, 2014, pre-hearing conference.

3 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-
4 105, except that all motions to intervene must be filed on or before June 27, 2014.

5 IT IS FURTHER ORDERED that any objections to intervention shall be filed on or before
6 July 8, 2014.

7 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements
8 to prefiled testimony, with the exception of rejoinder testimony, shall be reduced to writing and filed
9 no later than five calendar days before the witness is scheduled to testify. Substantive corrections,
10 revisions, or supplements to prefiled rejoinder testimony shall be reduced to writing and presented on
11 the first day of hearing.

12 IT IS FURTHER ORDERED that any motion filed in this matter, other than a motion to
13 intervene, that is not ruled upon by the Commission within 20 calendar days of the filing date of the
14 motion shall be deemed denied.

15 IT IS FURTHER ORDERED that any response to a motion, other than a motion to intervene,
16 shall be filed within five calendar days of the filing date of the motion.

17 IT IS FURTHER ORDERED that any reply related to a motion shall be filed within five
18 calendar days of the filing date of the response to the motion.

19 IT IS FURTHER ORDERED that Abra shall provide public notice of the hearing in this
20 matter, in the following form and style, with the heading in no less than 12-point bold type and the
21 body in no less than 10-point regular type:

22 **PUBLIC NOTICE OF HEARING ON THE**
23 **APPLICATION OF ABRA WATER COMPANY, INC. FOR AN INCREASE**
24 **IN ITS RATES AND CHARGES FOR WATER SERVICE**
(DOCKET NO. W-01782A-14-0084)

25 **Summary**

26 On March 11, 2014, Abra Water Company, Inc. ("Abra") filed with the Arizona
27 Corporation Commission ("Commission") an application for a determination of the
28 fair value of its plant and property for the provision of public utility service and for an
increase in its rates and charges for water utility service based thereon. Abra's
application uses a test year ending December 30, 2012 ("TY"). Abra's customers are
almost exclusively residential customers served by 5/8" x 3/4" water meters.

Abra reported adjusted TY revenues of \$270,040 and adjusted operating income of \$16,435, for a 2.88 percent return on a fair value rate base ("FVRB") of \$570,570. Abra's application requests a gross revenue increase of \$43,349, or 16.05 percent, for an 8.85 percent rate of return. For a residential customer served by a 5/8" x 3/4" meter, with median usage of 5,500 gallons, Abra's proposed rates would increase the monthly bill from \$30.25 to \$36.06, an increase of \$5.81 or 19.21 percent.

The Commission's Utilities Division ("Staff") is in the process of auditing and analyzing the application, and has not yet made any recommendations regarding Abra's proposed rate increase. The Commission will determine the appropriate relief to be granted based on the evidence of record in the proceeding. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY ABRA, STAFF, OR ANY INTERVENORS; THEREFORE, THE FINAL RATES APPROVED BY THE COMMISSION MAY DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY ABRA OR RECOMMENDED BY OTHER PARTIES.**

How You Can View or Obtain a Copy of the Rate Proposal

Copies of the application and proposed rates are available from Abra [COMPANY INSERT HOW AND WHERE AVAILABLE] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **September 30, 2014, at 10:00 a.m.**, at the Commission's offices Hearing Room No. 1, 1200 West Washington Street, Phoenix, Arizona 85007. Public comments will be taken on the first day of hearing.

Written public comments may be submitted by mailing a letter referencing Docket No. W-01782A-14-0084 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) using the "Submit a Public Comment" function. If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000.

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. Anyone who wishes to intervene must file an original and 13 copies of a written motion to intervene with the Commission no later than **June 27, 2014**, and send a copy of the motion to Abra or its counsel and to all parties of record. Your motion to intervene must contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any person upon whom service of documents is to be made if different from that of the intervenor;
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer or potential customer of Abra, a member or shareholder of Abra, etc.);

- 1 3. A statement certifying that a copy of the motion to intervene has been mailed
2 to Abra or its counsel and to all parties of record in the case; and
- 3 4. If the proposed intervenor is not represented by an attorney who is an active
4 member of the Arizona State Bar, and is not an individual representing himself
5 or herself, information and any appropriate documentation demonstrating the
6 intervenor's compliance with Arizona Supreme Court Rules 31, 38, and 42, as
7 applicable.

8 The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except
9 that all motions to intervene must be filed on or before June 27, 2014. If
10 representation by counsel is required by Arizona Supreme Court Rule 31, intervention
11 will be conditioned upon the intervenor obtaining counsel to represent the intervenor.
12 For information about requesting intervention, visit the Commission's website at
13 <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

14 The granting of intervention, among other things, entitles a party to present sworn
15 evidence at hearing and to cross-examine other witnesses. However, failure to
16 intervene will not preclude any interested person or entity from appearing at the
17 hearing and providing public comment on the application or from filing written
18 comments in the record of the case.

19 **ADA/Equal Access Information**

20 The Commission does not discriminate on the basis of disability in admission to its
21 public meetings. Persons with a disability may request a reasonable accommodation
22 such as a sign language interpreter, as well as request this document in an alternative
23 format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail
24 SAbernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as
25 early as possible to allow time to arrange the accommodation.

26 IT IS FURTHER ORDERED that Abra **shall, by May 16, 2014, send** a copy of the above
27 notice to each current customer by first class U.S. mail and have the above notice **published** in a
28 newspaper of general circulation in its service territory.

IT IS FURTHER ORDERED that Abra shall, **by June 6, 2014, file certification of mailing**
and publication of the above notice.

IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and
publication, notwithstanding the failure of an individual to read or receive the notice.

IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
Communications) applies to this proceeding and shall remain in effect until the Commission's
Decision in this matter is final and non-appealable.

IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
31 and 38 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Arizona Supreme Court Rule 42). Representation before the Commission includes appearances at all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled for discussion unless counsel has previously been granted permission to withdraw by the Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that the time periods specified herein shall not be extended pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 11th day of April, 2014.


SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed
this 11th day of April, 2014 to:


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